(c) what action Government have taken or propose to take in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir.

(b) and (c) A survey was conducted by the Income Tax Department on 15th February, 2001 at the office of the Samiti. Scrutiny of its accounts was taken up by re-opening of its Income Tax Assessments for Assessment Year 1990-1991 to 2000-2001 and various complaints received against this Samiti were also examined from income tax angle. Assessment for these years have been completed in May/June 2002 raising a demand of Rs. 16,60,047 in addition to tax of Rs. 8,44,336 paid by the Samiti.

Duty on life saving drugs

2029. SHRI H.K. JAVARE GOWDA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that levy of manufacturing duty on life saving Medical items such as Auto Analysers and Diagnostic Test Kits has been imposed in 2002-2003 budget only on indigenous manufacturers and not on multinationals;

(b) if so, the details of the reasons for adopting this discriminatory policy; and

(c) whether Government propose to withdraw these levies in order to correct the anomalies existing in the duty structure?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) No, Sir. In this year's Budget, customs and excise duty exemptions on specified medical items such as Auto Analysers and Diagnostic Test Kits were withdrawn. These items have since become liable for a nominal excise duty of 4% *ad valorem,* if no Cenvat Credit facility is availed and are levied a nominal basic customs duty of 5% *ad valorem,* if imported.

(b) and (c) Does not arise in view of (a) above.